

131 Willow Avenue Unit 3



Developed by

131 Willow Avenue, LLC

In Cooperation with the

City of Somerville



INFORMATION AND APPLICATION PACKAGE

Property Description

Willow Avenue

131 Willow Avenue LLC is nearing completion of a 10-unit condominium community located on Willow Avenue in Somerville.

Through Somerville's Inclusionary Zoning Ordinance, one of these units will be sold to a first-time homebuyer with a household income below 80% of area median income (see eligibility chart enclosed). Eligible buyers must live or work in Somerville and have 2 or more people in the household.

The affordable condo unit is a first floor unit with **2 bedrooms and 2 bathrooms**. It has 1050 square feet of living space, private ground-floor garage, AC and a shared back porch. **The sale price will be \$185,000 with monthly condo fees of \$51.00.**

As an Inclusionary Housing Unit, the condo will have a "deed rider" that will be filed along with the mortgage at the time of purchase. This means that the price at which the unit is resold will be restricted, any subsequent owners will also have an income of no more than 80% of area median income and will ensure that the unit remains affordable in the long term.

Mandatory Information Session: The City of Somerville will be conducting a mandatory information session on

July 31, 2007 at 5:30 pm Somerville City Hall,
Aldermanic Chambers, 93 Highland Ave, Somerville, MA

You Must Attend To Receive An Application

The following pages describe the eligibility requirements for this unit and how the lottery process works.

Applications will be made available to interested buyers at this Info Session.

Completed Applications, with all the necessary supporting documents, must be submitted to the City of Somerville Housing Division at 50 Evergreen Avenue no later than **12:00 Noon on Wednesday, August 22, 2007.** Applications received after the deadline or which are incomplete will not be eligible.

An Open House allowing interested buyers to view the property is scheduled for: *To Be Announced*

Eligibility Requirements

Households who either Reside or Work full-time in the City of Somerville

Applicants must have their primary residence within the City of Somerville and must provide a utility bill or voter registration as proof of residency.

Applicants working full-time in the City of Somerville must provide a letter of employment signed by the human resources director with contact information.

First-Time Homebuyers

Applicants must be first-time homebuyers. A person shall be considered a first-time homebuyer if no person in his or her household has, within the preceding three years, owned a home or owned an interest in a home.

Household Size

Applicants must be in a household with 2 or more people, as determined by the number of bedrooms in the unit.

Income Eligibility

In order to be eligible to purchase this unit, annual income must be within the guidelines listed below. While there is no minimum income required, applicants must be able to support a sufficient mortgage for the unit.

The combined annual income from all sources for all income-earning members of the household must not exceed 80% of area median income by household size, as indicated below:

Maximum Annual Income

80% Median Income	2 Person	3 Person	4 Person
	\$52,950	\$59,550.	\$66,150

Bank Pre-Approval Financing

Applicants are required to submit, as part of their application, a **pre-approval letter for a mortgage in an amount sufficient to purchase the unit.**

Local participating lenders have agreed to provide this service free of charge (see Bank Contact List enclosed).

Note: Pre-qualification letters will not meet this requirement.

Pre-approval letters from Internet banking sites do not meet this requirement.

Pre-approval letters subject to credit, employment, or asset verification do not meet this requirement.

Applicants must have at least 3% of purchase price available for down payment and sufficient funds to cover closing costs for the transaction.

**Mayor's Office of Strategic Planning & Community
Development**

Inclusionary Housing Program

PARTICIPATING BANKS & LENDING INSTITUTIONS

*Each institution has agreed to provide **free pre-approval services**
and information on the best mortgage product available to suit
your needs.*

Winter Hill Bank
342 Broadway
Somerville, MA. 02145
(617) 666-8600
Contact: Larry Gold

Wainwright Bank
250 Elm Street
Somerville, MA. 02144
(617) 478-4000 ext.384
Contact: Sonia Payne

Cambridge Savings Bank
1374 Massachusetts Avenue
Cambridge, MA.02138
(617) 441-4137
Contact: Rick Garber

Central Bank
399 Highland Ave
Somerville, MA 02144
(617) 629-4331
Contact: Donna Haynes

East Cambridge Savings Bank
292 Cambridge Street
Cambridge MA 02141
(617) 354-7700

Lottery Process

Lottery Drawing: The lottery will be held at City Hall, SPCD 3rd floor Conference Room, 93 Highland Avenue at **6:30 PM on Thurs. August 23, 2007.** Applicants need not be present, but are encouraged to attend.

Lottery process

Households submitting a complete application prior to the deadline will be screened for eligibility based on the guidelines described above. Applicants will be informed of eligibility at least one week prior to the scheduled lottery drawing. There are no preferences for this lottery and all eligible applicants will have an equal chance of being selected.

Applicants will be selected at random at the lottery and will be numbered in the order they are selected. The first selected applicant will have the first opportunity to purchase the unit. This applicant will have (1) week to certify their eligibility with the City. If they are determined to be ineligible, the second applicant chosen at the lottery will be notified and given (1) week to certify. This process will continue until an eligible applicant is selected.

Once certified, the buyer will enter into a Purchase and Sale Agreement with the owner. The buyer will formally apply for a mortgage loan with their chosen lender and then the buyer and owner will agree to a mutually convenient closing date.

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Description of Deed Restriction

This opportunity to purchase an affordable unit at a significant discount is being offered through the Somerville's Inclusionary Housing Program. This requires that the unit remain affordable for future buyers.

If you are selected to purchase this unit, you will sign a "Deed Rider", which describes the restrictions on the unit and your responsibilities. These restrictions will remain with the unit for the life of the building and will apply to you and all subsequent owners.

The following is an overview of the most important aspects of the Deed Rider and is meant for informational purposes only. If selected, you are strongly encouraged to seek legal advice and review the total document.

- **Principal Residence:** The property/unit must be used as your principal residence.
- **Leasing and Refinancing:** Expressed written consent must be obtained from the City of Somerville SPCD, Housing Division prior to leasing your unit and/or Refinancing your loan.
- **Notice to the City of Somerville when selling your home/unit:** When you want to sell your home, you must contact the City of Somerville, SPCD Housing Division or designee. You must submit written intent to sell. SPCD will calculate the Maximum Affordable Sale Price using the same formula used to calculate your original sale price found in the Somerville Zoning Ordinance 13.3.3

Resale Price Example:

In 2007, a 2-person household earning less than 80% Area Median Income (\$52,950) purchases a 2-bedroom affordable unit for \$185,000.

In 2012 the household wants to sell. We'll assume the 80% AMI may be (\$59,000) and that interest rates remain the same. This would result in a resale price of \$210,000

Resale Process:

Once the City calculates the affordable sale price, the owner may elect to market the unit independently or request the City's assistance in locating a buyer. In all cases, the buyer must meet income and asset criteria and the City must certify their income. A deed- restricted unit cannot be resold without the City's Compliance release.

**131 Willow Avenue Unit 3
Minimum and Maximum INCOME**

6.5% Interest Rate

UNIT # 3: Two-Bedroom Unit :Offered to a household size of 2 or more earning less than **\$52,950**

Maximum Income to Participate: \$52,950

Sales Price: **\$185,000**

Minus 3% buyer down payment: **5,375**

Estimated Mortgage Loan Amount: **\$179,625**

Mortgage Assumptions:

\$179,625@ 6.5% Interest Rate, 30 Year Fixed

Equals: **\$ 51** **Taxes**

\$ 51 **Condo Fee**

Total: \$1,236 monthly housing expense

Minimum Income to Support Mortgage: \$44,000 - \$50,000*

***Depending on amount of down payment**